

2000

**ANNUAL FINANCIAL
REPORT PACKAGE**

For

Classified Utilities



Washington _____
State Auditor
_____ Brian Sonntag

ANNUAL REPORT

(Name)

MCAG No.

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED _____, 20____

Certified correct this _____ day of _____, 20____

to the best of my knowledge and belief:

NAME_____

TITLE_____

PREPARED BY_____

TELEPHONE NUMBER_____

FAX NUMBER_____

E-MAIL ADDRESS_____

HOME PAGE ADDRESS_____

**CLASSIFIED UTILITIES
REPORTING PACKAGE**

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MCAG NUMBERS

Your entity MCAG identification number is below. Identify your number and use in the upper left hand corner of the report forms.

<u>MCAG</u>	<u>CLASSIFIED PUBLIC UTILITY DISTRICTS</u>
0612	Asotin County PUD No. 1
1768	Benton County PUD
1769	Chelan County PUD
1770	Clallam County PUD
1772	Clark County PUD
0794	Conservation and Renewable Energy (CARE) System
1774	Cowlitz County PUD
1777	Douglas County PUD
2661	Energy Northwest
1778	Ferry County PUD
1779	Franklin County PUD
0777	Grand Coulee Hydro Electric Authority
1780	Grant County PUD No. 2
1781	Grays Harbor County PUD
1783	Kitsap County PUD
1784	Kittitas County PUD
1785	Klickitat County PUD
1787	Lewis County PUD
1789	Mason County PUD No. 1
1791	Mason County PUD No. 3
1792	Okanogan County PUD
1793	Pacific County PUD No. 2
1795	Pend Oreille County PUD
1797	Skagit County PUD
1798	Skamania County PUD
1800	Snohomish County PUD
1802	Stevens County PUD
1804	Wahkiakum County PUD
1806	Whatcom County PUD

CLASSIFIED SEWER DISTRICTS

2122	Beacon Hill Sewer District
2123	Douglas County Sewer District No. 1
0273	Hazel Dell Sewer District
2160	Kitsap Sewer District No. 5
2176	Lake Stevens Sewer District
2181	Liberty Lake Sewer District No. 1
2133	Midway Sewer District
2143	NE Sammamish Sewer and Water District
2177	Olympus Terrace Sewer District
2142	Shoreline Wastewater Management District
2144	S.W. Suburban Sewer District
2147	Val Vue Sewer District

MCAGCLASSIFIED WATER DISTRICTS

2303	Alderwood Water/Sewer District
2268	Annapolis Water District
2328	Birch Bay Water and Sewer District
2686	Cedar River Water and Sewer District
2684	Covington Water District
0727	Cross Valley Water District
2199	East Wenatchee Water District
2240	Highline Water District
2685	King County Water and Sewer District No. 107
2687	King County Water District No. 111
2682	King County Water District No. 125
2699	King County Water District No. 20
2705	King County Water District No. 49
2252	King County Water District No. 90
2139	Lakehaven Utility District
2296	Lakewood Water District
2277	Manchester Water District
2461	Mukilteo Water and Sewer District
2267	North Perry Avenue Water District
2140	Northshore Utility District
2314	Olympic View Water and Sewer District
2325	Pt. Roberts Water District No. 4
2246	Sammamish Plateau Water and Sewer District
2702	Shoreline Water District
2280	Silverdale Water District No. 16
2308	Silver Lake Water District
0607	Soos Creek Water and Sewer District
0666	Spokane County Water District No. 3
1596	Vera Water and Power
2330	Whatcom County Water and Sewer District No. 10
2316	Whitworth Water District No. 2
2683	Woodinville Water District

CLASSIFIED IRRIGATION DISTRICTS

1544	Badger Mountain Irrigation District
1538	Columbia Irrigation District
1600	Consolidated Irrigation District No. 19
1536	East Columbia Basin Irrigation District
1570	Greater Wenatchee Irrigation District
1541	Kennewick Irrigation District
1576	Kittitas Reclamation District
1555	Lake Chelan Reclamation District
1587	Oroville-Tonasket Irrigation District
1575	Quincy-Columbia Basin Irrigation District
1623	Roza Irrigation District
1573	South Columbia Basin Irrigation District
1626	Sunnyside Valley Irrigation District
1557	Wenatchee Reclamation District
1631	Yakima Tieton Irrigation District

BALANCE SHEET
(STATEMENT A-3A AND A-3B)
INSTRUCTIONS

The information for this statement should be taken from the district general ledger after closing entries are posted. Prior year information (optional) should be taken from the prior year's balance sheet.

The balance sheet should include those *Budgeting, Accounting and Reporting System* (BARS) general ledger accounts used by your district or those general ledger accounts used by your district under FERC, NARUC, or other uniform system of accounts.

Two blank formats for balance sheets are provided on the following pages. The first one (form A-3A) should be used by any district which uses NARUC, FERC, or other uniform system of accounts. The second one (form A-3B) should be used by any utility using BARS general ledger accounts.

1. The numbers in parentheses on Statement A-3A are the account numbers used for the general ledger accounts of the NARUC and FERC Uniform Systems of Accounts, except that account 123, 146, 201, 223, and 234 have been renamed to apply to local governments.
2. The titles on Statement A-3B are taken from the titles of BARS accounts at the appropriate level of detail for reporting. In some instances, blanks are provided rather than listing all the possible accounts. Use these blank spaces as necessary. In BARS, all assets and liabilities are reported at the BASUB level. Fund equity should be reported in four accounts:

Contributed Capital, net of amortization	271-274
Retained Earnings:	
Reserved	285
Unreserved Designated	287
Unreserved Undesignated	288

3. The left hand column should be used for current year information and the right-hand column for the previous year (optional).

If you have prepared a detailed balance sheet, it is not necessary to use our forms.

In June of 1991, the Governmental Accounting Standards Board (GASB) issued its Statement 14 which defines the financial reporting entity. The Statement is effective for financial statements for periods beginning after December 15, 1992, and requires governmental entities to evaluate their relationships with other organizations (both governmental and nongovernmental).

Application of the Statement may result in the addition of a *Component Units* column (or columns) in the financial statements of the district. The following forms do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 BARS manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and the GASB Statement 14.

<u>ASSETS AND OTHER DEBITS</u>	20____	19____*
<u>Utility Plant</u>		
Utility Plant (101-106, 114)	\$_____	\$_____
Construction Work in Progress (107)	_____	_____
Less Depreciation, Amortization and Depletion (108, 111, 115)	(_____)	(_____)
_____	_____	_____
Net Utility Plant	_____	_____
<u>Other Property and Investments</u>		
Non-utility Property (121)	_____	_____
Less Depreciation and Amortization (122)	(_____)	(_____)
Advances to Municipality (123)	_____	_____
Other Investments (124)	_____	_____
Special Funds (125-128)	_____	_____
_____	_____	_____
Total Other Property and Investments	_____	_____
<u>Current and Accrued Assets</u>		
Cash (131)	_____	_____
Special Deposits (132-134)	_____	_____
Working Fund (135)	_____	_____
Temporary Cash Investments (136)	_____	_____
Notes Receivable (141)	_____	_____
Accounts Receivable-Customer and Other (142-143)	_____	_____
Less Uncollectible Accounts (144)	(_____)	(_____)
Receivables from Municipality (145-146)	_____	_____
Materials and Supplies (151-164)	_____	_____
Prepayments and Advances (165-167)	_____	_____
Other (171-174)	_____	_____
_____	_____	_____
Total Current and Accrued Assets	_____	_____
<u>Deferred Debits</u>		
Unamortized Debt Expenses (181)	_____	_____
Extraordinary Property Losses (182)	_____	_____
Preliminary Survey and Investigation Charges (183)	_____	_____
Clearing Accounts (184)	_____	_____
Other (185-191)	_____	_____
_____	_____	_____
Total Deferred Debits	_____	_____
TOTAL ASSETS AND OTHER DEBITS	\$=====	\$=====

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

LIABILITIES AND OTHER CREDITS

20 _____

19 _____ *

Proprietary Capital

Investment of Municipality (201-214)

\$ _____

\$ _____

Retained Earnings (215-216)

Total Proprietary Capital

Long-Term Debt

Bonds (221-222)

Advances from Municipality (223)

Other Long-Term Debt (224)

Unamortized Premium (Discount) (225-226)

Total Long-Term Debt

Other Noncurrent Liabilities

Capital Lease (227)

Accumulated Provisions (228-229):

Property Insurance

Injuries and Damages

Pension and Benefits

Other _____

Total Other Noncurrent Liabilities

Current and Accrued Liabilities

Warrants Payable (231)

Accounts Payable (232)

Payables to Municipality (233-234)

Customer Deposits (235)

Taxes Accrued (236)

Interest Accrued (237)

Matured Long-Term Debt (239)

Matured Interest (240)

Other (241-243)

Total Current and Accrued Liabilities

Deferred Credits

Customer Advances for Construction (252)

Other (253-257)

Total Deferred Credits

Contributions in Aid of Construction (271)**

TOTAL LIABILITIES AND OTHER CREDITS

\$ _____

\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

**NARUC only.

<u>ASSETS AND OTHER DEBITS</u>	20____	19____*
Current Assets:		
Cash and Cash Equivalents	\$ _____	\$ _____
Deposits with Fiscal Agents/Trustees	_____	_____
Temporary Investments	_____	_____
Receivables (Net):	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Inventories	_____	_____
Prepayments	_____	_____
Other Current Assets	_____	_____
TOTAL CURRENT ASSETS	_____	_____
Restricted Assets:		
Debt Service, Deposits, Replacements	_____	_____
Construction Accounts	_____	_____
TOTAL RESTRICTED ASSETS	_____	_____
Long-Term Assets:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Fixed Assets**	_____	_____
Land	_____	_____
Plant	_____	_____
Capital Leases	_____	_____
Machinery and Equipment	_____	_____
Construction in Progress	_____	_____
_____	_____	_____
Less Accumulated Depreciation	(_____) (_____)	(_____) (_____)
Total Fixed Assets (Net)	_____	_____
TOTAL LONG-TERM ASSETS	_____	_____
TOTAL ASSETS AND OTHER DEBITS	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

**Presentation of details is optional. See Note 3.

<u>LIABILITIES AND OTHER CREDITS</u>	20____	19____*
Current Liabilities:		
Warrants Payable	\$ _____	\$ _____
Accounts/Vouchers Payable	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL CURRENT LIABILITIES	_____	_____
Payables from Restricted Assets:		
Debt Principal	_____	_____
Debt Interest	_____	_____
Deposits and Other Payables	_____	_____
TOTAL PAYABLES FROM RESTRICTED ASSETS	_____	_____
Long-Term Liabilities:		
Compensated Absences	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL LONG-TERM LIABILITIES	_____	_____
TOTAL LIABILITIES	_____	_____
<u>FUND EQUITY</u>		
Contributed Capital, Net of Amortization	_____	_____
Retained Earnings:		
Reserved	_____	_____
Unreserved Designated	_____	_____
Unreserved Undesignated	_____	_____
TOTAL EQUITY	_____	_____
TOTAL LIABILITIES AND EQUITY	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

OPERATING STATEMENTS
(STATEMENT D3, D4 AND D5)
INSTRUCTIONS

The information for this statement should be taken from the district's revenue and expense ledgers after year-end adjustments are posted but before closing the books. Prior year information (optional) should be taken from the prior year's income statement.

Two alternative formats for presenting revenues, expenses, and changes in equity are provided on the following pages. The first option (Statements D3 and D4) should be used by any district which uses NARUC, FERC, or other uniform system of accounts. The second (Statement D5) should be used by any utility using the *Budgeting, Accounting and Reporting System* (BARS) chart of accounts.

1. The numbers in parentheses on Statements D3 and D4 are the account numbers used for the revenue and expense control accounts of the NARUC and FERC Uniform Systems of Accounts.
2. The titles on Statement D5 are taken from the combining statement of revenues, expenses and changes in equity for proprietary funds contained in the Category 1 BARS manual. For proper classification refer to Part 1, Chapters 6 and 7 and Part 4, Chapter 4.
3. The left hand column should be used for current year information and the right-hand column for the previous year (optional).

The following forms do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 BARS manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and the GASB Statement 14.

(COMPARATIVE)* STATEMENT OF INCOME
For The Year(s) Ended December 31, 20____ and 19____*

<u>Utility Operating Income</u>	20____	19____*
Operating Revenues (400)	\$ _____	\$ _____
Operating Expenses:		
Operation Expenses (401)	_____	_____
Maintenance Expenses (402)	_____	_____
Depreciation Expenses (403)	_____	_____
Amortization and Depletion Expenses (404-407)	_____	_____
Taxes Other than Income Taxes (408)	_____	_____
Gain (Loss) on Disposition of Utility Plant (411)	_____	_____
Total Operating Expenses	_____	_____
Revenues and Expenses from Utility Plant Leased to Others (412-413)	_____	_____
Net Utility Operating Income	\$ _____	\$ _____
<u>Other Income and Deductions</u>		
Operating Assessments, Levies and Subsidies	_____	_____
Income from Merchandising, Jobbing and Contracting Work (415-416)	_____	_____
Revenue from Nonutility Operations (417)	_____	_____
Nonoperating Rental Income (418)	_____	_____
Equity in Income of Joint Ventures and Subsidiaries (418)	_____	_____
Interest and Dividend Income (419)	_____	_____
Gains (Losses) from Disposition of Property (420-421)	_____	_____
Miscellaneous Nonoperating Income (421)	_____	_____
Miscellaneous Amortization (425)	_____	_____
Miscellaneous Income Deductions (426)	_____	_____
Total Other Income and Deductions	_____	_____
<u>Interest Charges</u>		
Interest on Long-Term Debt (427)	_____	_____
Amortization of Debt Discount and Expenses (428)	_____	_____
Amortization of Premium on Debt-(Cr) (429)	_____	_____
Other Interest Expenses (430-431)	_____	_____
Interest Charged to Construction-(Cr) (432)	_____	_____
Total Interest Charges	_____	_____
<u>Extraordinary Income and Deductions</u> (434-435)	_____	_____
NET INCOME	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name)

Statement D4

Page 1 of 1

(COMPARATIVE)* STATEMENT OF RETAINED EARNINGS

For The Year(s) Ended December 31, 20____ and 19____*

<u>Appropriated Retained Earnings (215)</u>	20____	19____*
Balance January 1	\$ _____	\$ _____
Appropriations of Retained Earnings (436)	_____	_____
Balance December 31	\$ _____	\$ _____
<u>Unappropriated Retained Earnings (216)</u>		
Balance January 1	\$ _____	\$ _____
Balance Transferred from Income	_____	_____
Appropriations of Retained Earnings (436)	(_____)	(_____)
Adjustments to Retained Earnings (439)	_____	_____
Balance December 31	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name) _____

Statement D5

Page 1 of 2

(COMPARATIVE)* STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN EQUITY

For The Year(s) Ended December 31, 20____ and 19____*

OPERATING REVENUES:	20____	19____*
Sales of Merchandise	\$ _____	\$ _____
Utility Sales and Service Fees	_____	_____
Other Charges for Services	_____	_____
Other Operating Revenue	_____	_____
Total Operating Revenue	_____	_____
OPERATING EXPENSES:		
Operations:		
General Operations	_____	_____
Power/Water/Gas Purchased for Resale	_____	_____
Contracted Processing and Operations	_____	_____
Cost of Energy	_____	_____
Cost of Goods Sold	_____	_____
Maintenance	_____	_____
Customer Services and Marketing	_____	_____
Administration:		
General Administration	_____	_____
Planning, Conservation, Research and Development	_____	_____
Depreciation/Amortization/Depletion	_____	_____
Property, Excise and B&O Taxes	_____	_____
Other Operating Expenses	_____	_____
Total Operating Expenses	_____	_____
OPERATING INCOME (LOSS)	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name) _____

Statement D5

Page 2 of 2

(COMPARATIVE)* STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN EQUITY

For The Year(s) Ended December 31, 20____ and 19____*

	20____	19____*
OPERATING INCOME (LOSS)	\$ _____	\$ _____
NONOPERATING REVENUES (EXPENSES):		
Operating Assessments and Tax Levies	_____	_____
External Operating Subsidies	_____	_____
Revenue from Merchandising, Jobbing and Contract Work	_____	_____
(Costs and Expenses of Merchandising, Jobbing and Contract Work)	_____	_____
Interest and Dividend Income	_____	_____
(Interest Expense and Related Charges)	_____	_____
Equity in Income (Loss) of Joint Ventures/ Subsidiaries	_____	_____
Gains (Losses) on Fixed Asset Disposition	_____	_____
Other Nonoperating Revenues	_____	_____
(Other Nonoperating Expenses)	_____	_____
Nonoperating Revenue Net of Expense	_____	_____
Income Before Transfers and Other Items	_____	_____
OPERATING TRANSFERS IN (OUT)	_____	_____
OTHER INCOME (LOSSES):		
Gains (Losses) on Discontinued Segments	_____	_____
Extraordinary Gains (Losses)	_____	_____
Cumulative Effect of Accounting Changes	_____	_____
NET INCOME (LOSS)	\$ _____	\$ _____
FUND EQUITY, January 1	\$ _____	\$ _____
Contributed Capital Increase (Decrease)	_____	_____
Residual Equity Transfers In (Out)	_____	_____
Other Changes in Fund Equity	_____	_____
FUND EQUITY, December 31	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

STATEMENT OF CASH FLOWS

(STATEMENT E-3)

INSTRUCTIONS

The statement of cash flows (SCF) is required for all proprietary and nonexpendable trust funds. Cash flows reporting is not required for pension trust funds.

The SCF identifies four areas of cash flows (inflows and outflows):

1. Cash flows from operating activities (e.g., sales and purchases of goods).
2. Cash flows from noncapital financing activities (e.g., proceeds and repayments of bonds).
3. Cash flows from capital and related financing activities (e.g., proceeds and repayments of bonds clearly associated with construction or acquisition of capital assets).
4. Cash flows from investing activities (e.g., deposits and withdrawals from investment pools).

In addition to identifying actual cash inflows and outflows in the above four areas, noncash transactions must be presented. Examples are purchasing a building by incurring a mortgage or obtaining an asset by capital lease. This information should be presented in a separate schedule in either narrative or tabular format.

The descriptive term *cash* or *cash and cash equivalents* should be used in the SCF. Beginning and ending cash and cash equivalents should be presented in the SCF. These amounts should be easily traceable to similarly titled line items or subtotals shown in the balance sheet.

Cash and cash equivalents are defined as follows:

“... short-term, highly liquid investments that are both

- a. readily convertible to known amounts of cash.
- b. so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less meet this definition.”

Examples of cash and cash equivalents are:

Treasury bills
Commercial paper
Certificates of deposit

Money market funds
Cash management pools

An entity is not required to present an investment as a cash equivalent just because it meets the above definition. Each entity should determine which items it will treat as cash equivalents and disclose its policy for making this determination. If this policy changes, it constitutes a change in accounting principles. If comparative financial statements are presented, prior periods should be restated to reflect this change.

Normally, cash flows will be presented as gross amounts. However, the cash receipts and cash payments of the following items may be reported net:

Investments (other than cash equivalents)
Loans receivable
Debt (provided that the original maturity of the asset or liability is three months or less)

The SCF should be presented for each period for which results of operations are reported. Presentation on a comparative basis is optional.

GASB has developed two presentation formats for the SCF: the direct method (E-3A) and the indirect method (E-3B). The Board encourages use of the direct method, but either method is acceptable.

The following examples of the SCF do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 *Budgeting, Accounting and Reporting System* (BARS) manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and GASB Statement 14.

Sample Water District
(COMPARATIVE)* STATEMENT OF CASH FLOWS
For The Year(s) Ended December 31, 1999 and 1998*

	<u>1999</u>	<u>1998*</u>
Cash flows from operating activities:		
Cash received from customers	\$ 912,000	\$ 820,163
Cash payments to suppliers for goods and services	(450,000)	(400,000)
Cash payments to employees for services	(300,575)	(301,015)
Payment in-lieu of taxes	(50,000)	(42,350)
Other operating cash received	<u>15,075</u>	<u>25,000</u>
Net cash provided by operating activities	\$ 126,500	\$ 101,798
Cash flows from noncapital financing activities:		
Net borrowing (repayments) under revolving loan arrangement	(20,000)	(15,000)
Interest paid on revolving loan	(1,500)	(2,000)
Operating grants received	100,000	95,000
Operating transfers-out to other funds	<u>(75,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	\$ 3,500	\$ 78,000
Cash flows from capital financing activities:		
Proceeds from sale of revenue bonds	250,000	-
Acquisition and construction of capital assets	(350,000)	-
Principal paid on revenue bond maturities and equipment contracts	(75,000)	(57,000)
Interest paid on revenue bonds and equipment contracts	(33,500)	(23,850)
Proceeds from sale of equipment	10,000	-
Capital contributed by subdividers	<u>60,000</u>	<u>50,000</u>
Net cash used for capital financing activities	\$(138,500)	\$ (30,850)
Cash flows from investing activities:		
Purchase of investment securities	(125,000)	(75,000)
Proceeds from sale and maturities of investment securities	75,000	23,500
Interest and dividends on investments	<u>9,000</u>	<u>5,000</u>
Net cash used for investing activities	<u>\$ (41,000)</u>	<u>\$ (46,500)</u>
Net increase (decrease) in cash and cash equivalents	(49,500)	102,448
Cash and cash equivalents at beginning of year	<u>\$ 175,600</u>	<u>\$ 73,152</u>
Cash and cash equivalents at end of year	<u>\$ 126,100 (1)</u>	<u>\$ 175,600 (1)</u>
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income (loss)	\$(110,500)(1)	\$(130,402)(1)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	245,000	230,000
Allowance for uncollectible accounts	2,000	500
Change in assets and liabilities:		
Increase in accounts receivable	(15,000)	(5,000)
Decrease in inventory	2,000	1,000
Decrease in prepaid expenses	500	500
Increase in accounts payable	<u>2,500</u>	<u>5,200</u>
Total adjustments <u>\$ 237,000</u>	<u>\$ 232,200</u>	
Net cash provided by operating activities	<u>\$ 126,500</u>	<u>\$ 101,798</u>

Noncash financing, capital and investing activities:

Shortly before the balance sheet date, the district entered into a time-pay agreement to purchase office equipment costing \$7,500. There was no down payment and no monthly installments were made before year end.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTE: (1) This amount should be traceable to the operating statement.

*Prior year presentation is optional.

Sample Water District
(COMPARATIVE)* STATEMENT OF CASH FLOWS
For The Year(s) Ended December 31, 1999 and 1998*

	<u>1999</u>	<u>1998*</u>
Cash flows from operating activities:		
Net operating income (loss)	\$(110,500)(1)	\$(130,402)(1)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation, Amortization, Depletion	245,000	230,000
Allowance for uncollectible accounts	2,000	500
Change in assets and liabilities:		
Increase in receivables	(15,000)	(5,000)
Decrease in inventory	2,000	1,000
Decrease in prepaid expenses	500	500
Increase in payables	<u>2,500</u>	<u>5,200</u>
Total adjustments	<u>\$ 237,000</u>	<u>\$ 232,200</u>
Net cash provided by operating activities	\$ 126,500	\$ 101,798
Cash flows from noncapital financing activities:		
Net borrowing (repayments) under revolving loan arrangement	(20,000)	(15,000)
Interest paid on revolving loan	(1,500)	(2,000)
Operating grants received	100,000	95,000
Operating transfers-out to other funds	<u>(75,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	\$ 3,500	\$ 78,000
Cash flows from capital financing activities:		
Proceeds from sale of revenue bonds	250,000	-
Acquisition and construction of capital assets	(350,000)	-
Principal paid on revenue bond maturities and equipment contracts	(75,000)	(57,000)
Interest paid on revenue bonds and equipment contracts	(33,500)	(23,850)
Proceeds from sale of equipment	10,000	-
Capital contributed by subdividers	<u>60,000</u>	<u>50,000</u>
Net cash used for capital financing activities	\$(138,500)	\$ (30,850)
Cash flows from investing activities:		
Purchase of investment securities	\$(125,000)	\$ (75,000)
Proceeds from sale and maturities of investment securities	75,000	23,500
Interest and dividends on investments	<u>9,000</u>	<u>5,000</u>
Net cash used for investing activities	<u>\$ (41,000)</u>	<u>\$ (46,500)</u>
Net increase (decrease) in cash and cash equivalents	(49,500)	102,448
Cash and cash equivalents at beginning of year	<u>175,600</u>	<u>73,152</u>
Cash and cash equivalents at end of year	<u>\$ 126,000 (1)</u>	<u>\$ 175,600 (1)</u>

Noncash financing, capital and investing activities:

Shortly before the balance sheet date, the district entered into a time-pay agreement to purchase office equipment costing \$7,500. There was no down payment and no monthly installments were made before year end.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTE: (1) This amount should be traceable to the balance sheet.

*Prior year presentation is optional.

NOTES TO FINANCIAL STATEMENTS
(STATEMENT F-4)
INSTRUCTIONS

The notes which follow were designed to provide the minimum disclosures required for many types of classified utilities. These samples are intended to furnish you with a guide to phrasing the required disclosures. These notes are illustrative only and should be adapted to unique circumstances of your district.

Some notes may not be applicable and should be deleted. Other notes may be necessary to assist readers in understanding the financial statements and should be added.

The Notes to Financial Statements are an integral part of the statements. Once you have edited these notes so that they do provide the necessary information about your district, you should type them on ordinary bond paper and attach them to your financial statements.

1/

NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 20__ (and December 31, 20__)

These notes are an integral part of the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of _____^{1/} conform to generally accepted accounting principles as applicable to proprietary funds of governmental units (in most respects). The following is a summary of the more significant policies (including identification of those policies which result in material departures from generally accepted accounting principles):

a. **Reporting Entity**

_____^{1/} is a municipal corporation governed by an elected _____^{2/} member board. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. (The _____^{1/} has no component units.) (These financial statements present _____^{1/} (the primary government) and its component units. The component units discussed below are included in the district's reporting entity because of the significance of their operational or financial relationships with the district.)^{3/}

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on the particular circumstances.)

1/ Insert the official name of the district.

2/ Indicate the number of members on your board.

3/ Component units are defined in GASB Statement 14 and in Part 3, Chapter 12 of the Category 1 *Budgeting, Accounting and Reporting System* (BARS) manual. If the district has a component unit(s) for which it is financially accountable, further disclosure of the relationship(s) is required. If the district qualifies as a component unit of another government, disclosure of that relationship is also required. In addition, GASB Statement 14 requires disclosures concerning related organizations, joint ventures and jointly governed organizations. Refer to the BARS manual and GASB Statement 14 for further information.

b. Basis Of Accounting And Presentation

The accounting records of the district are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. (The district uses the Uniform System of Accounts for Class _____ ^{1/} Water Utilities.) ^{2/}

The district uses the full-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. ^{3/} Fixed asset purchases are capitalized and long-term liabilities are accounted for in the appropriate funds.

(Unbilled utility service receivables are recorded at year end.) ^{4/} (Operating income includes gains and losses from the disposal of utility plant.)

c. Cash And Cash Equivalents

For purposes of the Statement of Cash Flows, the district considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

d. (Utility Plant And Depreciation) (Fixed Assets)

See Note _____. ^{5/}

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on the particular circumstances.)

1/ Indicate class designation A and B, C, or D.

2/ Change the title to indicate the correct system of accounts in use. If more than one system of accounts is involved, change the sentence to read "The district uses the following accounting manuals:" and list the manuals used.

3/ If assessment interest and penalties are not accrued, or if other modified-accrual recognition principles are used, be sure to disclose them and to disclose that such approaches are not in accordance with general accepted accounting principles (GAAP).

4/ If material utility service receivables are not accrued at year end, this should be disclosed along with the clause, "which is a departure from generally accepted accounting principles."

5/ Insert the note number for disclosure of fixed assets.

e. Restricted Funds

In accordance with bond resolutions (and certain related agreements) separate restricted funds are required to be established. The assets held in these funds are restricted for specific uses, including (construction,) debt service and other special reserve requirements. Restricted funds currently include the following: ^{1/}

Special Funds: \$ _____

Debt Service Funds: \$ _____

Assets and liabilities shown as current in the accompanying balance sheet exclude current maturities on revenue bonds and accrued interest thereon because debt service funds are provided for their payment.

f. Receivables ^{2/}

g. Inventories

Inventories are valued at _____ ^{3/} which approximates the market value.

h. Investments

See Note _____. ^{4/}

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ If the balance sheets list these restricted funds separately, omit this sentence. Otherwise, furnish descriptive titles for the various restricted funds in use.

2/ Disclose your policy for estimating and writing off uncollectible accounts.

3/ Insert "FIFO - first in, first out" "average cost," etc. If "LIFO - last in, first out," is used, omit the phrase about market value.

4/ Insert the note number for disclosure of investments.

i. (Amortization Of Contributed Capital)

In accordance with the prescribed system(s) of accounts, the district amortizes contributed capital by amounts that equal the annual depreciation on assets acquired with that capital.)

j. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. The district records unpaid leave for compensated absences as an expense and liability when incurred.

Vacation pay, which may be accumulated up to (maximum days or weeks) , is payable upon resignation, retirement or death.

Sick leave may accumulate (indefinitely or up to hours). ^{1/}

k. Direct Charge (Or Credit) To Retained Earnings

In accordance with its prescribed system of accounts, the district has (charged or credited) \$ directly to retained earnings. This is a departure from generally accepted accounting principles, which require such (charges or credits) be included in net income of the period. ^{2/}

l. Unamortized Debt Expenses

Costs relating to the sale of bonds are deferred and amortized over the lives of the various bond issues.

m. Construction Financing ^{3/}

n. Purchase Commitments ^{4/}

NOTES TO PREPARER:

1/ Only sick leave which is a part of retirement or termination benefit should be disclosed in this note (GASB Statement 16). Describe the policy regarding sick leave. For example:

(Upon resignation, any outstanding sick leave is lost.)

(If an employee terminates with at least ten years of service, he or she will be paid for sick leave balances up to thirty days, at one-half his or her final pay rate.)

2/ Be sure to add a sentence to this note to explain the circumstances.

3/ This note should disclose any cost-sharing agreements or other long-term financing or credit agreements that the district has entered into.

4/ This note should disclose any long-term purchase commitments, take-or-pay agreements, etc. An electric utility should disclose its participant agreements with the WPPSS.

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS

The (district's name) deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

INVESTMENTS

As required by state law, all investments of the (district)'s funds (except as noted below) are obligations of the U.S. Government, U.S. agency issues, obligations of the state of Washington, general obligations of Washington State municipalities, (the State Treasurer's Investment Pool,) (bankers' acceptances,) or certificates of deposit with Washington State banks and savings and loan institutions. (Investments of (pension/nonexpendable) trust funds are not subject to the preceding limitations.) All temporary investments are stated at _____ ^{1/}. Other property and investments are shown on the balance sheet at _____ ^{1/}.

Other property consists of real estate held (for the production of (rental) income/(and) for future use).

The district's investments are categorized to give an indication of the risk assumed at year-end. Category 1 includes investments that are either insured, registered or held by the district or its agent in the district's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the district's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or its trust department or agent but not in the district's name.

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ Disclose the following:

- a. The methods and significant assumptions used to estimate the fair value of investments, if that fair value is based on other than quoted market prices.
- b. The policy for determining which investments, if any, are reported at amortized cost.
- c. For any investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares.
- d. Any involuntary participation in an external investment pool.
- e. If the district cannot obtain information from a pool sponsor to allow it to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate.
- f. Any income from investments associated with one fund that is assigned to another fund.

(For more details, see the GASB Statement 31.)

	Category			Total
	1	2	3	
Repurchase Agreements	\$_____	\$_____	\$_____	\$_____
U.S. Government Securities	_____	_____	_____	_____
Bankers' Acceptances	_____	_____	_____	_____
Other Investments-List by Type	_____	_____	_____	_____
Total	\$=====	\$=====	\$=====	
Investments not Subject to Categorization:				
Investment in State Treasurer's Investment Pool				_____
Reverse Repurchase Agreements 1/				_____
Other Investments - List by Type				_____
Total Investments				\$=====

Restricted assets shown on the balance sheet include the following investments:

	Market
Time Deposits	\$_____
Other Securities	_____
Total Investments of Restricted Assets	\$=====

NOTES TO PREPARER:

1/ If the district uses reverse repurchase agreements, include the following:

State statutes permit the _(district)_ to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contracted rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the _(district)_ or provide securities or cash of equal value, the _(district)_ would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. The credit exposure at year-end was \$_____.

All sales of investments under reverse repurchase agreements are for fixed terms. In investing the proceeds of reverse repurchase agreements, the _(district)'s_ policy is for the term to maturity of the investment to be the same as the term of the reverse repurchase agreement. Such matching existed at the year end.

DERIVATES AND SIMILAR TRANSACTIONS^{1/}

SECURITIES LENDING^{2/}

GAINS AND LOSSES ON INVESTMENTS^{3/}

NOTES TO PREPARER:

- 1/ Derivatives are generally defined as contracts whose value depends on, or *derives* from, the value of an underlying asset, reference date, or index. For more information see the GASB Technical Bulletin No. 94-1, *Disclosures about Derivatives and Similar Debt and Investment Transactions*.

This disclosure is necessary if the district has used, held, or sold any derivatives or similar instruments during the period covered by the financial statements or if the district participated in an investment pool or mutual fund that used, held or sold derivative during the period, regardless of whether the assets or liabilities resulting from those transactions are reported on the balance sheet.

The note should include:

- nature of transaction,
- reason for entering into transaction,
- discussion of district exposure to credit risk, market risk, and legal risk (the discussion of risk should be made only to the extent that these risks are above and beyond those risks that are apparent in the financial statements or are otherwise disclosed in the notes to financial statements),
- if information about derivatives in investment pools or mutual funds is not available, that fact should be disclosed.

- 2/ If in the period covered by the financial statements, the district participated in the securities lending transactions, the following information should be disclosed:

- ① source of legal or contractual authorization for the securities lending transactions;
- ② general description of the securities lending transactions;
 - type of securities lent,
 - type of collateral received,
 - whether the government has the ability to pledge or sell collateral securities without a borrower default,
 - the amount by which the value of the collateral provided is required to exceed the value of underlying securities,
 - any restrictions on the amount of the loans that can be made,
 - any loss indemnification (i.e., a securities lending agent's guarantee that it will protect the lender from certain losses),
 - fair values of underlying securities at the balance sheet date;
- ③ whether the maturities of the investments made with cash collateral generally match the maturities of their securities loans, as well as the extent of such matching at the balance sheet date;
- ④ the amount of credit risk, if any, related to the securities lending transactions (if the lender has not credit risk, that fact should be stated);
- ⑤ the amount of any losses on the securities lending transactions during the period resulting from the default of a borrower or lending agent and amounts recovered from prior period losses, if not separately disclosed in the operating statement.

(For more details, see the GASB Statement 28, *Accounting and Financial Reporting for Securities Lending Transactions*)

- 3/ Districts may disclose realized gains and losses computed as the difference between the proceeds of the sale and the original cost of the investments sold. They also should disclose that:

- a. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments.
- b. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

(For more details, see the GASB Statement 31.)

NOTE 3 - (UTILITY PLANT AND DEPRECIATION) (FIXED ASSETS)

Major expenses for fixed assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. (Obligations under capital leases are disclosed in Note ____ (Lease Commitments Note No. ____).

Utility plant in service (and other fixed assets) (is/are) recorded at cost (where the historical cost is known. Where historical cost is not known, assets are recorded at _____^{3/} Donations by developers (and customers) are recorded at (the contract price and donor cost or appraised value) (except in the Electric Utility (Fund), which is required by the prescribed system of accounts to record its fixed assets not of contributed capital and to record purchased utility at "original cost," although these procedures do not conform to generally accepted accounting principles).

(The original cost of operating property retired or otherwise disposed of and the cost of installation, less salvage, is charged to accumulated depreciation.) (However, in the case of the sale of a significant operating unit or system, the original cost is removed from the utility plant accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and the net gain or loss on disposition is credited or charged to income.)

(An allowance for funds used during construction is capitalized as part of the cost of utility plant. While cash is not received currently from such allowance, it is realized under the rate-making process over the service life of the related property through increased revenue resulting from a higher rate base and higher depreciation expense. The procedure is intended to remove the cost of financing construction activity from the income statement and to treat such cost in the same manner as construction labor and material costs.)

(During 20____, and 19____, the district capitalized \$_____ and \$_____, respectively of net interest costs for funds borrowed to finance the construction of fixed assets. Interest costs of \$_____ in 20____ and \$_____ in 19____ were offset by interest income of \$_____ and \$_____ in respective years.

Depreciation is computed on the _____^{1/} method with useful lives of _____^{2/} to _____^{2/} years. (Initial depreciation on utility plant is recorded in the year subsequent to purchase.)

(Preliminary costs incurred for proposed projects are deferred pending construction of the facility. Costs relating to projects ultimately constructed are transferred to utility plant; charges that related to abandoned projects are expensed.)

(The following is a summary of the fixed assets as of December 31, 20____ and 19____.^{3/}

	20____	19____
Land	_____	_____
Plant	_____	_____
Capital Leases	_____	_____
Machinery and Equipment	_____	_____
Construction in Progress	_____	_____
_____	_____	_____
Less Accumulated Depreciation	_____	_____
NET FIXED ASSET	\$_____	\$_____)

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ Insert "straight-line" or the particular accelerated method used.

2/ Insert minimum and maximum useful lives.

3/ If your balance sheet displays the various categories of fixed assets (e.g., land, buildings, equipment, etc.) you will not need to include this schedule.

NOTE 4 - CONSTRUCTION IN PROGRESS

Construction in progress represents expenses to date on projects whose authorizations total \$_____.^{1/} Of the committed balance of \$_____, the district will be required to raise \$_____ in future financing.^{2/}

NOTES TO PREPARER:

1/ Total construction project budgets should be included here.

2/ If there are numerous construction projects, this information should be presented in a schedule like the example below:

Construction in progress is composed of the following:

	Project Authorization	Expended to 12/31/9X	Committed	Required Future Financing
Water Treatment Plant - Phase 1	\$1,400,000	\$1,094,000	\$ 306,000	None
Water Treatment Plant - Phase 2	600,000	-	600,000	\$600,000
Congress Avenue Sewer Line	250,000	215,000	35,000	None
Improvement District No. 79	200,000	200,000	200,000	None
Improvement District No. 80	200,000	117,100	82,900	None
Various Projects Under \$100,000	<u>250,000</u>	<u>196,150</u>	<u>53,850</u>	<u>None</u>
	<u>\$2,900,000</u>	<u>\$1,822,250</u>	<u>\$1,077,750</u>	<u>\$600,000</u>

NOTE 5 - LEASE COMMITMENTS

a. Operating Lease(s)^{1/}

The (district's name) is committed under various leases for _____.^{2/} These leases are considered operating leases for accounting purposes. Lease expenses for the year ended December 31, 20____ amounted to \$_____. Future minimum rental commitments for these leases are as follows:

Year ^{3/}	
20____	\$_____
20____	_____
20____	_____
20____	_____
20____	_____
20____-20____	_____
Total	\$_____

NOTES TO PREPARER:

- 1/ Prepare this part of the note for leases which are not capitalized.
- 2/ List the types of operating leases your district has.
- 3/ List the payments by year for the next five years, then add a line that shows total payments for all years thereafter.

b. Capital Lease(s)

The (district's name) has entered into (a) lease agreement(s) for financing the acquisition of _____.^{1/} These lease agreements qualify as capital leases for accounting purposes and are recorded as assets and as long-term liabilities at the present value of the future minimum lease payments as of the date of their inception. The district records lease payments as reductions of the long-term liability and as interest expense over the life of the lease. The future minimum lease payments under these lease agreements are as follows:

<u>Fiscal Year</u> ^{2/}	
20__	\$ _____
20__	_____
20__	_____
20__	_____
20__	_____
20__-20__	_____
Less amount representing interest	_____
Present Value of Future Minimum Lease Payments	\$ _____

Depreciation policy for capitalized assets is described in (Fixed Assets Note No.).

NOTES TO PREPARER:

1/ List the types of leases.

2/ List the payments by year for the next five years, then add a line that shows total payments for all years thereafter.

NOTE 6 - LONG-TERM DEBT

Schedule 09 which accompanies this report contains a list of the outstanding debt at December 31, 20__ (and 19__^{1/}). The annual requirements to amortize all debts outstanding as of December 31, 20__,^{2/} including interest, are as follows:^{3/}

<u>Years Ended December 31:</u> ^{4/}	<u>Total</u>		
20__	\$ _____ ^{5/}	\$ _____	\$ _____
20__	_____	_____	_____
20__	_____	_____	_____
20__	_____	_____	_____
20__	_____	_____	_____
20__-20__	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

There is \$ _____ in restricted assets of the district. These represent sinking funds and reserve requirements as contained in the various indentures.

There are a number of other limitations and restrictions contained in the various bond indentures. The district is in compliance with all significant limitations and restrictions.^{6/}

The following bond issues have been refunded as of December 31, 20__.

<u>Bond Issue</u>	<u>Amount Outstanding</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Refunded Bonds Outstanding	\$ _____

NOTES TO PREPARER:

- 1/ If you chose to present comparative financial statements attach Schedule 09 for both years.
- 2/ This schedule should be for debts outstanding at the end of the latest year presented and amounts may be rounded to the nearest hundred or thousand dollars.
- 3/ If your district has additional debt that has been authorized but not issued, the unissued amounts should be listed here in a separate paragraph. If conduit (no-commitment) debt is reported on the balance sheet, it needs to be included in all long-term disclosures. Otherwise, the district should disclose:
 - General description of transactions.
 - Aggregate amount of all conduit debt obligations outstanding at the balance sheet date. If the amount of debt issued prior to January 1, 1996 (or prior to the date of implementation of GASB Interpretation 2) is not determinable or cannot be reasonably estimated, the district may provide the aggregate original issue amount.
 - A clear indication that the district has no obligation for the debt beyond the resources provided by related leases or loans.
- 4/ If you prepare comparative financial statements show the amortization amounts beginning with the year proceeding the year of your annual report.
- 5/ You may present separate columns for different types of debt.
- 6/ You may want to disclose the details of your entity's compliance with some restrictions, such as the ratio of operating revenues to debt service requirements. Also, consider disclosing the detail of changes in restricted assets.

This advance refunding was undertaken to (reduce total debt service payments over the next ____ years by \$ _____, etc.) and resulted in an economic gain of \$ _____^{1/}

Debt service on these bonds is met by cash and investments held by the refunding trustee(s). As of December 31, 20__, the trustee(s) was (were) holding cash and investments of \$ _____ which are expected to fund debt service fully. These refunded bonds constitute a contingent liability of the district but are excluded from the financial statements.

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ The economic gain or loss on a refunding transaction is calculated in the following manner:

- The present value of the debt service payments related to the refunding debt is calculated using the following formula:

Face amount of bonds
+ Premium (or - original issue discount)
+ Accrued interest
- Costs not recoverable through escrow earnings

Present value of debt service payments on
refunding debt;

- A calculation is made to determine what effective interest rate applied to the debt service payments on the *refunding* bonds would result in the present value determined in the previous calculation;
- The effective interest rate calculated for the refunding bonds is then applied to the debt service on the *refunded* bonds to calculate the present value of debt service on the latter;
- The difference between the present value of the two debt service streams (refunding debt and refunded debt) constitutes the economic gain or loss on the transaction.

NOTE 7 - PENSION PLAN^{1/}

Substantially all (district) full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*.

Public Employees' Retirement System (PERS) Plans 1 and 2

Plan Description

PERS is a cost-sharing multiple employer retirement system. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; college and university employees (not in national higher education retirement programs); judges of district and municipal courts; non-certificated employees of school districts; and employees of local governments. The PERS system includes two defined benefit pension plans. Participants who joined the system by September 30, 1977, are Plan 1 members. Those joining thereafter are enrolled in Plan 2. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan 1 and Plan 2 are vested after completion of five years of eligible service. Retirement benefit provisions are established in state statute and may be amended only by the state legislature.

Plan 1 members are eligible for retirement at any age after 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service. The annual pension is two percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at three percent annually.

Plan 2 members may retire at age 65 with five years of service, or at age 55 with 20 years of service, with an allowance of two percent per year of service of the average final compensation. Plan 2 retirements prior to 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at three percent annually.

There are 1,205 participating employers in PERS. Membership in PERS consisted of the following at December 31, 1999:

Retirees and Beneficiaries Receiving Benefits	59,280
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	16,133
Active Plan Members Vested	122,795
Active Plan Members Nonvested	73,587
Total	271,795

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates and Plan 2 employer and employee contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent and do not vary from year to year. The employer and employee contribution rates for Plan 2 are set by the director of the Department of Retirement Systems based on recommendation by the Office of the State Actuary to continue to fully fund Plan 2. All employers are required to contribute at the level established by state law. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

NOTES TO PREPARER:

- 1/ This note discloses only information related to the PERS. If your district administers its own retirement system, refer to the GASB Statement 25 for required disclosures.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2000, were:

	PERS Plan 1	PERS Plan 2
Employer	4.67% *	4.67% *
Employee	6.00%	2.43%

* The employer rates do not include the employer administrative expense fee currently set at 0.23%.

Both the district and the employees made the required contributions.^{1/} The district's required contributions for the years ended December 31 were:

	PERS Plan 1	PERS Plan 2
2000	\$	\$
1999	\$	\$
1998	\$	\$

NOTES TO PREPARER:

1/ Modify this sentence appropriately.

NOTE 8 - SEGMENT INFORMATION ^{1/}

The district operates ^{2/} enterprise funds which provide ^{3/} services. Segment information for the year ended December 31, 20__ was as follows:

		(Segment)	(Segment)	(Other)	(Total)
Operating Revenues	\$ _____	\$ _____	\$ _____	\$ _____	
Operating Expenses:					
Depreciation/Amortization/Depletion		_____	_____	_____	_____
Other _____		_____	_____	_____	_____
		_____	_____	_____	_____
Operating Income (Loss)		\$ _____	\$ _____	\$ _____	\$ _____
Non-Operating Revenues (Expenses):					
Operating Grants and Subsidies _____		_____	_____	_____	_____
Tax Revenues		_____	_____	_____	_____
Other (Net)		_____	_____	_____	_____
Operating Transfers In (Out) _____		_____	_____	_____	_____
Extraordinary Items Cumulative Effect of Accounting Change		_____	_____	_____	_____
NET INCOME (LOSS)		\$ _____	\$ _____	\$ _____	\$ _____
Current Capital Contributions:					
Residual Equity Transfers In \$ _____		\$ _____	\$ _____	\$ _____	
Capital Grants Received		\$ _____	\$ _____	\$ _____	\$ _____
Taxes for Capital Construction \$ _____		\$ _____	\$ _____	\$ _____	
Other Capital Contributed		\$ _____	\$ _____	\$ _____	\$ _____
Property/Plant/Equipment:					
Additions \$ _____		\$ _____	\$ _____	\$ _____	
Deletions \$ _____		\$ _____	\$ _____	\$ _____	
Current Assets		_____	_____	_____	_____
Current Liabilities		_____	_____	_____	_____
NET WORKING CAPITAL	\$ _____	\$ _____	\$ _____	\$ _____	
Bonds and Other Long-Term Liabilities:					
Payable from Operating Revenues		\$ _____	\$ _____	\$ _____	\$ _____
Payable from Other Sources \$ _____		\$ _____	\$ _____	\$ _____	
Total Assets		_____	_____	_____	_____
Total Liabilities		_____	_____	_____	_____
FUND EQUITY		\$ _____	\$ _____	\$ _____	\$ _____

NOTES TO PREPARER:

- 1/ A district needs to furnish this information only when it is operating two or more functions, such as a PUD that operates both an electric utility and a water utility or a water district that operates both a water utility and street lighting (a combined water/sewer utility does not need to be segmented). The format shown conforms to GASB recommendations.
- 2/ Indicate the number of utilities the entity operates.
- 3/ Indicate types of goods and services provided.

NOTE 9 - DEFERRED DEBITS (OR CREDITS)^{1/}

In accordance with generally accepted accounting principles for regulated businesses, the district has deferred (losses, costs, receipts, etc.) of \$ _____ in 20__ and \$ _____ in 19__, which will be amortized using the _____ method over _____ years. These (losses, costs, receipts, etc.) resulted from (give brief description)____. These (charges or credits) would have been included in net income for 20__ and 19__, in nonregulated businesses, but for rate-making purposes they are treated as applicable to future periods.

NOTE 10 - PROPERTY TAXES^{1/}

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1, on property values listed as of the prior May 31. Assessed values are established by the county assessor at 100 percent of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the district by the county treasurer.

The district is permitted by law to levy up to \$ _____^{2/} per \$1,000 of assessed valuation for general district purposes. This amount may be reduced for any of the following three reasons:

- a. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.
- b. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 6 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 6 percent due to revaluation, the levy rate will be decreased.
- c. The district may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

NOTES TO PREPARER:

1/ The need for the note depends on your particular circumstances.

2/ Insert the maximum legal levy for the entity.

For 20____, the district's regular tax levy was \$_____ ^{1/} per \$1,000 on a total assessed valuation of \$_____ ^{2/} for a total regular levy of \$_____. In 19____, ^{3/} the regular levy was \$_____. (Additionally, special levies for GO Bond Obligations totaled \$_____ in 20X1 and \$_____ in 20X2.) ^{4/}

Property taxes are recorded as receivables when levied. (Since State law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.)

NOTE 11 - ACCOUNTING CHANGES ^{5/}

NOTES TO PREPARER: (The portions of these notes in parenthesis are alternatives or additions you may need to use, depending on your particular circumstances.)

- 1/ Insert the general levy rate for taxes levied on January 1 of report year (not the current year).
- 2/ Insert the property valuation in effect for taxes levied on January 1 of the report year.
- 3/ The year prior to the report year.
- 4/ Any additional levies should be disclosed, such as the 50 cent levy in water districts that operate fire departments.
- 5/ Any changes in accounting policies (see Note 1) that could affect comparisons between two years' financial statements should be disclosed here. For example:

In accordance with NCGA Statement 2, the district has changed its method of accounting for depreciation on assets acquired with capital grants. In previous years, such depreciation was charged directly against contributed capital and did not affect net income. In 20____, depreciation expenses on such assets reduced net income by \$_____. There is no cumulative effect on contributed capital or retained earnings.

NOTES TO PREPARER:

1/ Extraordinary items are events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence.

Thus, both of the following criteria should be met to classify an event or transaction as an extraordinary item:

- a. Unusual nature - the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity.
- b. Infrequency of occurrence - the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future.

Descriptive captions and the amounts for individual extraordinary events or transactions should be presented, preferably on the face of the income statement, if practicable; otherwise disclosure in related notes is acceptable. The nature of an extraordinary event or transaction and the principal items entering into the determination of an extraordinary gain or loss should be described.

The following is an example of an extraordinary item:

Because of the eruptions of Mt. St. Helens and related ash damage to district vehicles and equipment, the district has incurred substantial losses during the current year. Five pieces of equipment were destroyed during the flooding on the Yesler River. In addition, the use of district equipment during the ash fall and cleanup operations has resulted in scrapping 9 pieces of equipment and the estimated lives of 23 district vehicles have been reduced by 2-4 years. The extraordinary loss, net of insurance, is computed below:

Destroyed Equipment (net book value)	\$ 48,000
Scrapped Equipment (net book value)	71,000
Additional Depreciation	<u>57,500</u>
	176,500
Insurance Recoveries	<u>39,500</u>
Extraordinary Loss	<u>\$137,000</u>

NOTE 13 - PRIOR PERIOD ADJUSTMENTS^{1/}

NOTE 14 - CONTINGENT LIABILITIES AND LITIGATION^{2/}

NOTE 15 - SUBSEQUENT EVENTS^{3/}

NOTES TO PREPARER:

1/ Adjustments related to prior periods (and thus excluded from the operating statements for the current period) are limited to: (a) corrections of material errors in the financial statements of a prior period; and (b) other material adjustments which meet the criteria for prior period adjustments contained in the prescribed system of accounts. The circumstances surrounding each such adjustment should be separately explained in these footnotes.

2/ This note should disclose any material contingent liabilities. These are items which are uncertain now but may result in liabilities in the future, such as pending lawsuits, guarantees, etc. The following are samples of possible contingent liabilities:

The district has been named defendant in a lawsuit seeking damages of \$500,000 as a result of alleged unfair labor practices. Counsel is of the opinion that the defendants should prevail. All other lawsuits are either adequately covered by insurance or would not materially affect the financial statements.

On June 30, 1989, the utility completed its sewer reconstruction using an EPA grant. Total expenses for the project were \$750,891. As part of the grant agreement, the utility must reimburse the grantor (EPA) for any disallowed costs. To date, the project has not been audited to determine if any costs will be disallowed. The utility expects such costs, if any, will be immaterial.

3/ This note should disclose any events that occurred after the financial statement date that has a material effect on the operations of the governmental unit.

NOTES TO PREPARER:

- 1/ The new rules for disclosures for the joint ventures (set by GASB Statement 14) are effective for financial statements for periods beginning after December 15, 1992. The definition of joint ventures and accounting methods are discussed in the BARS manual (Category 1), Part 3, Chapter 5.

The requirements listed below are necessary regardless of whether or not there is equity interest.

The note should provide the following information:

1. General description of the joint venture including:
 - a. Information about ongoing financial interest or ongoing financial responsibility,
 - b. If applicable, information about equity interest,
 - c. Information regarding the performance of the joint venture to help users evaluate if the joint venture may cause additional benefit or burden to the participating entity in the future.
2. Information about availability of separate financial statements of the joint ventures (addresses).

The participating entity should also disclose information regarding related party transactions.

Due to the uniqueness of each joint venture we are not able to provide sample notes.

NOTES TO PREPARER:

1/ If the government is a member of a public entity risk pool, insert a note provided to the district by the risk pool.

If the government retains risk (either fully or partially), the following information should be disclosed:

- description of risk to which district is exposed (e.g., torts, thefts, damages, injuries to employees, natural disasters, etc.)
- how those risks are handled (e.g., purchase of commercial insurance, full or partial retention, etc.)

For the self-insurance portion the district should disclose:

- fund(s) used to account for risk management,
- level of risk assumed,
- expected annual level of claims (based on actuarial or historical cost information),
- amount of reserves set aside for potential losses.

For the third party (e.g., commercial insurance) the district should disclose:

- name of insurer(s),
- type of coverage,
- deductible amounts.

NOTE 18 - POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFIT^{1/}

In addition to the pension benefits described in Note _____, the _____(district's name)_____ provides postretirement health care benefits, in accordance with _____(authority under which the benefit is provided)_____^{2/} to _____(number, category)_____ employees who _____(description of eligibility for the benefits)_____.^{3/} Currently, _____(number)_____ retirees meet those eligibility requirements.

The _____(district's name)_____ reimburses _____ percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees and their dependents. The _____(district's name)_____ also reimburses a fixed amount of \$ _____ per month for a Medicare supplement for each retiree eligible for Medicare.^{4/}

Employer contributions are financed on pay-as-you-go basis.^{5/} Expenses for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the _____(district's name)_____.

During the year, expenses of \$ _____ were recognized for postretirement health care.^{6/}

Approximately \$ _____ of the \$ _____ increase in expenses over the previous year was caused by the addition of dental benefits, effective _____(date)_____.^{7/}

NOTES TO PREPARER:

1/ Other postemployment benefits (OPEB) are benefits provided by an employer to plan participants, beneficiaries, and covered dependents through a plan or other arrangement that is separate from a plan to provide retirement income, except for postemployment health care benefits which are always OPEB. In addition to postemployment health care benefits, OPEB may include life insurance, disability income, tuition assistance, legal services, and other assistance programs. OPEB do not include social security benefits financed through FICA payroll taxes. However, if the employer pays postretirement contributions applicable to retirees for additional Medicare benefits, those benefits should be considered postemployment health care benefits and should be included in all relevant disclosures. Whether a particular type of benefits should be consider pension benefits or OPEB depends on how the benefit is provided.

The provisions of GASB Statement 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers*, are effective for fiscal years beginning after June 15, 1990.

The note should be made for the entity as a whole, but if aggregate disclosure would be misleading, additional separate disclosures should be made for fund types or component units.

2/ Statute, contract, etc.

3/ Participants currently eligible for benefits are retirees, terminated employees, and beneficiaries for whom the entity is currently responsible for paying all or part of the premiums, contributions, or claims. Covered dependents should be counted as one unit with the participant.

NOTES TO PREPARER: (Continued)

- 4/ Describe the district's and participants' obligation to contribute. The information must be quantified (percentage, dollars contributions rates, etc.).
- 5/ If OPEB are advance-funded on an actuarially determined basis, the employer should disclose the actuarial cost method and significant actuarial assumptions (including the interest rate, and, if applicable, the projected salary increase and the health inflation assumptions) used to determine funding requirements, and the method used to value plan assets.
- 6/ The amount should be net of participant contributions. If the benefit payments cannot be readily separated from expenses for similar types of benefits provided to active employees and their dependents, the district may use reasonable methods to approximate the OPEB expenses. If this is not possible, the note should disclose that the OPEB expenses can not be reasonably estimated.

If OPEB are advance-funded on an actuarially determined basis additional information should be provided in this paragraph:

- the number of active plan participants,
- the entity's actuarially required and actual contributions for the period (net of participants contributions),
- the amount of the net assets available for the OPEB,
- the actuarial accrued liability and unfunded actuarial accrued liability for OPEB according to the actuarial cost method in use.

- 7/ Describe any significant matters that affected the comparability of the current year data with the previous periods.

Any additional information that the employer believes will help users assess the nature and magnitude of the cost of the employer's commitment to provide OPEB should also be disclosed.

SUPPLEMENTAL SCHEDULES

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SCHEDULE 08 - REAL AND PERSONAL PROPERTY TAXES

This schedule is used to collect information about tax levies in all taxing districts in Washington State. The amounts reported by counties acting as tax collection agents are compared with the amounts reported by the recipient districts to verify the accuracy of reporting. This schedule is also used to verify the amount of tax revenues reported and the amount of taxes receivable shown on any balance sheets.

Districts should prepare this schedule from the monthly reports of county remittances. It is important to analyze the county reports for any netting, such as election costs. If the county has deducted any charges from its remittances, the district must show the expenses separately and record the tax revenue at its full amount.

Districts should accrue as revenue the property tax collections received by the county. County remittances that are in transit at the end of the year should be included on this schedule as "taxes collected" in district reports.

This schedule may be submitted as a computer printout, so long as the required information is provided.

Column 1 Number of each fund for which taxes are levied.

Column 2 Name of each fund for which taxes are levied.

Column 3 Prior years' taxes receivable as of January 1 of report year. Districts accruing tax revenue should report the receivable balance as stated by the county at December 31.

Column 4 Indicate whether regular (R) or special (S) levy. Also indicate tax rate expressed in dollars per thousand dollars of assessed valuation (\$/1000) at 100% of fair market value.

Column 5 Taxes levied for report year collection.

Column 6 Report year collections of current and prior year levies. Districts that provide a balance sheet should accrue the calendar year collections made by the county.

Column 7 Tax adjustments (supplementals) which increase taxes receivable.

Column 8 Tax adjustments (cancellations) which decrease taxes receivable.

Column 9 Total taxes receivable as of December 31 of report year. Districts accruing tax revenue should report the receivable balance as stated by the county at December 31.

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Page ____ of ____

(DISTRICT NAME)

SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES (ALL TAX SUPPORTED FUNDS)

For The Year Ended December 31, 20__

[illegible]

Classified Utilities

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(Rev. 1/01)

SCHEDULE 09 - LONG-TERM DEBT

This schedule provides information about the **long-term debt** of your district. It also used to corroborate the amounts of long-term debt shown on any balance sheets and the amounts of debt service (principal only) shown on operating statements.

For the Schedule 09, there are three categories of debt: general debt, revenue debt and refunded debt. A separate debt schedule should be prepared for each category of debt. The appropriate category should be indicated at the top of each page.

Any debt category may contain numerous kinds of debt instruments. For example, general debt is not limited to general obligation bonds but can also contain bond anticipation notes, claims and judgments, installment sales contracts, lease-purchase agreements, etc.

As a practical matter, it is permissible to classify capital leases, including lease-purchase agreements, in enterprise funds as "revenue debt" and to classify all other capital leases as general debt. The existence of a fiscal funding clause (which allows termination of a lease if revenue sources become inadequate) has **no** effect on the classification of a lease as general or revenue debt.

Assessment debt is distinguished by those whom it will benefit, namely, properties with in a specific geographical area (i.e., a local improvement district or LID). The resources to pay assessment debt will come (at least partly) from assessments levied on the benefiting properties. These benefiting properties are called LIDs (local improvement districts), RIDs (road improvement districts), ULIDs (utility local improvement districts), and some other types such as sidewalk improvement districts.

Liability for deferred compensation, and liability for employee leave must be included in the financial statements but is **not** to be included on the Schedule 09. Detailed instructions for preparing the Schedule 09 follow. There should be a separate schedule for general debt, revenue debt and refunded debt of the reporting entity.

This schedule may be submitted as a computer printout, so long as the required information is provided.

IDENTIFYING NUMBER AND DESCRIPTION

The numbers and descriptions below must be used on Schedule 09. Typical debt instruments are listed within each category of debt. The first three digits of the identification numbers correspond to the BARS general ledger accounts, which contains detailed descriptions of these instruments.

NOTE: For the Schedule 09, list all bonded debt at par. Include principal only on all debt. Do **not** include any interfund debt, liabilities for deferred compensation, employee leave benefits or any short-term debt (less than one year). Generally, construction contracts are not considered debt except to the extent the contractor has performed

LD.No. **GENERAL DEBT** - Debt backed by the government's full taxing authority.

- 251.11 General Obligation Bonds for Capital Purposes - (No Vote Required)
- 251.12 General Obligation Bonds for Capital Purposes - (Vote Required)
- 251.15 General Obligation Bonds for Capital Purposes - Advance Refunding - Defeasance Method
- 251.16 General Obligation Bonds for Capital Purposes - Advance Refunding - Crossover Method
- 251.41 General Obligation Bonds for M and O Purposes - (No Vote Required)
- 251.42 General Obligation Bonds for M and O Purposes - (Vote Required)
- 251.45 General Obligation Bonds for M and O Purposes - Advance Refunding - Defeasance Method
- 251.46 General Obligation Bonds for M and O Purposes - Advance Refunding - Crossover Method
- 263.11 Claims and Judgments (Long-Term Only)
- 263.51 Installment Sales Contracts
- 263.53 Lease-Purchase Agreements
- 263.55 Other Capital Leases
- 263.61 Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
- 263.64 Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
- 263.66 Other Notes Payable for Capital Purposes
- 263.68 Other Notes Payable for M and O Purposes
- 263.81 Due to Other Governmental Units for Capital Purposes (Long-Term Only. An Example is the Amount Due to the State Retirement System for Pension Systems Prior to PERS and LEOFF.)
- 263.84 Due to Other Governmental Units for M and O Purposes (Long-Term Only)
- 263.91 Miscellaneous Long-Term General Debt for Capital Purposes
- 263.94 Miscellaneous Long-Term General Debt for M and O Purposes

LD.No. **REVENUE DEBT** - Debt back by specific revenue sources.

- 252.11 Revenue Bonds for Capital Purposes - (No Vote Required)
- 252.12 Revenue Bonds for Capital Purposes - (Vote Required)
- 252.15 Revenue Bonds for Capital Purposes - Advance Refunding - Defeasance Method
- 252.16 Revenue Bonds for Capital Purposes - Advance Refunding - Crossover Method
- 252.41 Revenue Bonds for M and O Purposes - (No Vote Required)
- 252.42 Revenue Bonds for M and O Purposes - (Vote Required)
- 252.45 Revenue Bonds for M and O Purposes - Advance Refunding - Defeasance Method
- 252.46 Revenue Bonds for M and O Purposes - Advance refunding - Crossover Method
- 263.12 Claims and Judgments (Long-Term Only)
- 263.41 Revenue Warrants (Coupon Warrants) for Capital Purposes
- 263.44 Revenue Warrants (Coupon Warrants) for M and O Purposes
- 263.52 Installment Sales Contracts
- 263.54 Lease-Purchase Agreements
- 263.56 Other Capital Leases
- 263.62 Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
- 263.65 Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
- 263.67 Other Notes Payable for Capital Purposes
- 263.69 Other Notes Payable for M and O Purposes
- 263.82 Due to Other Governmental Units for Capital Purposes (Long-Term Only)
- 263.85 Due to Other Governmental Units for M and O Purposes (Long-Term Only)
- 263.92 Miscellaneous Long-Term Revenue Debt for Capital Purposes
- 263.95 Miscellaneous Long-Term Revenue Debt for M and O Purposes

NOTE: M and O refers to Maintenance and Operation.

LID No. ASSESSMENT DEBT - Debt secured by assessments levied against a specific group of properties.

253.11 Special Assessment Bonds - LID
253.12 Special Assessment Bonds - ULID
253.13 Special Assessment Bonds - RID
253.14 Special Assessment Bonds - Other
253.15 Special Assessment Bonds - Advance Refunding - Defeasance Method
253.16 Special Assessment Bonds - Advance refunding - Crossover Method
263.43 LID Warrants
263.63 LID Notes
263.99 Miscellaneous Long-Term Assessment Debt

LID No. REFUNDED DEBT

251.90 General Obligation Bonds - Advance Refunded
252.90 Revenue Bond - Advance Refunded
253.90 Special Assessment Bonds - Advance Refunded

IDENTIFYING NUMBER - Include appropriate number (see listing on previous page).

PURPOSE - Describe the purpose(s) for which the debt proceeds were spent. If a refunding issue is partly refinancing and partly new financing, show both purposes. Refunded debt should continue to show the original purpose of the issue. If the purpose is not known, leave this column blank.

DATE OF ORIGINAL ISSUE/DATE OF MATURITY - These columns are self-explanatory.

(1) **BEGINNING OUTSTANDING DEBT** This column should include the amount of debt that was owed at the beginning of this period. The amount shown should equal to the last year ending balance. If there is a discrepancy, attach an explanation.

(2) **AMOUNT ISSUED - CURRENT PERIOD** In this column report the entire amount of any new debt or any additional debt issued (or borrowed) during the current period. For example, assume a G.O. bond authorized in the previous year at \$5,000,000, with \$4,000,000 issued that year and an additional \$500,000 issued in the report year. Under these circumstances, this column should show \$500,000.

(3) **AMOUNT REDEEMED THIS PERIOD** In this column, report the amount of debt that was paid this period. Do not include interest paid on the redeemed debt. The total amount in this column should equal to long-term debt payments shown on the Schedule 05.

(4) **ENDING OUTSTANDING DEBT** In this column, report the amount of debt that is owed at the end of this period.

Ending outstanding debt, column (4), is calculated by adding the amounts in columns (1) and (2) and subtracting redeemed debt in column (3).

$$(1) + (2) - (3) = (4)$$

Total the last five columns for each debt type.

X G.O. Debt
 ___ Revenue Debt
 ___ Assessment Debt
 ___ Refunded Debt

For The Year Ended December 31, 1996

(Rev. 1/01)

[illegible]

☐ G.O. Debt
☒ Revenue Debt
☐ Assessment Debt
☐ Refunded Debt

For The Year Ended December 31, 1996

(Rev. 1/01)

[illegible]

☐ G.O. Debt
☐ Revenue Debt
☒ Assessment Debt
☐ Refunded Debt

For The Year Ended December 31, 1996

(Rev. 1/01)

[illegible]

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Page ____ of ____

(DISTRICT NAME)

☐ G.O. Debt
☐ Revenue Debt
☐ Assessment Debt
☐ Refunded Debt

SCHEDULE OF LONG-TERM DEBT

For Year Ended December 31, _____

Classified Utilities

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(Rev. 1/01)

[illegible]

SCHEDULE 11 - CASH ACTIVITY¹

This schedule provides information about the total cash inflows and outflows of your district. It is used to identify the number of funds and to verify that your financial statements and schedules include all the funds of your district. This schedule is also used to evaluate accounting control over the total receipts and disbursements of your district, to reconcile fund receipts and disbursements with fund revenues and expenses, and to corroborate the amounts of cash shown on any balance sheet.

This schedule must be prepared for all funds. Surplus cash invested that is not attributed to any specific fund is to be reported on a separate line at the end of the fund listings. Beginning and ending balances of cash should not include investment.

The columns headed *Investments Liquidated* and *Investments Acquired* should contain the total amount of investment principal sold or purchased, regardless of whether the transaction was made by receipt, warrant, treasurer's check, interfund transfer, or electronic funds transfer. The amounts in these columns should, therefore, equal the corresponding columns in Schedule 12. Any money received in excess of the purchase price when an investment is liquidated (sold) must be recorded as a receipt or transfer in, not in the *Investments Liquidated* column.

Transfers in and out of the various funds refer to those moneys taken out of one fund and placed into another fund by means other than through the issuance of a warrant and the writing of a receipt. Transfers-in must equal total transfers-out, including transfers to claims/payroll funds.

In those entities that use claims and payroll clearing funds, the cash taken out of the various operating funds and put into the clearing fund will be treated as *Transfers-Out to Claims/Payroll Funds* in the operating funds and as *Transfers-In* in the applicable clearing funds.

All moneys received from outside the municipality, other than the purchase price of investments sold, must be reported in the *Receipts* column. All treasurer's checks issued, other than for the purchase of investments, must be reported in the *Disbursements* column.

LIST EACH FUND ON A SEPARATE LINE IN FUND NUMBER SEQUENCE.

Please provide a line for *Total Fund Cash* then list any *Surplus Cash Invested* as shown in the Schedule 11 example and a line for *Total Net Cash*. This presentation is necessary to prevent any duplication of reporting *Surplus Cash Invested* balances, in both Schedules 11 and 12.

This schedule may be submitted as a computer printout, so long as the required information is provided.

¹ The Schedule of Cash Activity (11) is required only for districts that perform their own treasury function.

SAMPLE DISTRICT
(DISTRICT NAME)**SCHEDULE OF CASH ACTIVITY****For The Year Ended December 31, 1996**

Classified Utilities

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(Rev. 1/01)

		CASH ACTIVITY-IN				
FUND NO.	DESCRIPTION	BEGINNING BALANCE	RECEIPTS	INVESTMENTS LIQUIDATED	TRANSFERS-IN	TOTAL AVAILABLE
673.1	Maintenance Fund	\$ 32	\$ 24,994	\$ -	\$ -	\$ 25,026
673.2	Bond Fund	-	69,366	120,751	35,656	225,773
673.11	Bond Reserve	816	7,949	33,112	-	41,877
673.23	1977 ULID Bond	-	7,606	8,587	14,161	30,354
673.31	Construction	-	127,939	1,821,000	-	1,948,939
601	Claims Clearing	-	-	-	125,023	125,023
602	Payroll Clearing	26,500	-	-	569,694	596,194
	Total Fund Cash	27,348	237,854	1,983,450	744,534	2,993,186
XXX	Surplus Cash Invested	(4,200)	-	12,650	-	8,450
	TOTAL NET CASH	23,148	237,854	1,996,100	744,534	3,001,636

SAMPLE DISTRICT
(DISTRICT NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, 1996

Classified Utilities

7-14

(Rev. 1/01)

CASH ACTIVITY-OUT						
FUND NO.	INVESTMENTS ACQUIRED	TRANSFERS OUT TO CLAIMS/PAYROLL	OTHER TRANSFERS	DISBURSEMENTS	TOTAL USED	ENDING BALANCE
673.1	\$ -	\$ -	\$14,806	\$ 5,200	\$ 20,006	\$ 5,020
673.2	96,505	-	-	104,250	200,755	25,018
672.11	32,464	-	-	-	32,464	9,413
673.23	22,729	-	-	-	22,729	7,625
673.31	1,046,493	694,717	35,011	-	1,776,221	172,718
601	-	-	-	121,023	121,023	4,000
602	-	-	-	590,094	590,094	6,100
	1,198,191	694,717	49,817	820,567	2,763,292	229,894
XXX	15,200	-	-	-	15,200	(6,750)
	1,213,391	694,717	49,817	820,567	2,778,492	223,144

MCAG NO. _____

Schedule 11
Page __ of __

(DISTRICT NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, _____

Classified Utilities

7-15

(Rev. 1/01)

[illegible]

MCAG NO. _____

Schedule 11
Page ____ of ____

(DISTRICT NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, _____

CASH ACTIVITY-OUT

[illegible]

Classified Utilities

7-16

(Rev. 1/01)

SCHEDULE 12 - INVESTMENT ACTIVITY¹

This schedule provides information about the total investment activity of the district. It is used to corroborate the investment balances shown on any balance sheet and to evaluate accounting control over investments. This schedule is also used to determine whether interest revenue is properly reported on your financial statements.

Do not report interest earnings or accruals on this schedule, **except** when reinvested. You may use the *Reinvested Interest* column or report it together with other investments in *Acquired* column.

This schedule must be prepared for all funds. Investments of cash surplus are not considered to be investments of a specific fund, therefore, they are listed on a separate line at the end of the fund investment listings.

LIST EACH FUND ON A SEPARATE LINE IN FUND NUMBER SEQUENCE.

Please provide a line for *Total Fund Investments* and a line for *Total All Investments*. (See Schedule 12 example.) Also note that the columns headed *Investments Liquidated* and *Investments Acquired* should equal the corresponding column amounts on Schedule 11.

This schedule may be submitted as a computer printout, as long as the required information is provided.

1 The Schedule of Investment Activity (12) is required only for districts that perform their own treasury function.

SAMPLE DISTRICT
(DISTRICT NAME)

SCHEDULE OF INVESTMENT ACTIVITY - ALL FUNDS

For The Year Ended December 31, 1996

Classified Utilities

7-18

(Rev. 1/01)

FUND NO.	DESCRIPTION	BEGINNING INVESTMENT BALANCE 01/01/1996	INVESTMENT (AT COST)		REINVESTED INTEREST	ENDING INVESTMENT BALANCE 12/31/1996
			ACQUIRED	LIQUIDATION		
673.2	Bond Fund	\$ 206,300	\$ 96,505	\$ 120,751	\$5,000	\$ 187,054
673.11	Bond Reserve	120,000	32,464	33,112		119,352
673.23	1977 ULID Bond	181,944	22,729	8,587		196,086
673.31	Construction	1,920,021	1,046,493	1,821,000	14,000	1,159,514
	Total Fund Investments	2,428,265	1,198,191	1,983,450		1,643,006
XXX	Surplus Cash Investment	4,200	15,200	12,650		6,750
	TOTAL ALL INVESTMENTS	\$2,432,465	\$1,213,391	\$1,996,100	\$19,000	\$1,668,756

MCAG NO. _____

Schedule 12

Page __ of __

(DISTRICT NAME)

SCHEDULE OF INVESTMENT ACTIVITY - ALL FUNDS

For The Year Ended December 31, ____

Classified Utilities

7-19

(Rev. 1/01)

[illegible]

SCHEDULE 16 - EXPENDITURES OF FEDERAL AWARDS AND STATE/LOCAL FINANCIAL ASSISTANCE

The Schedule of Financial Assistance is an essential document for planning and conducting the audit of your organization. It also serves to provide assurance to those agencies who award financial assistance that their programs or grants were included in the audit. It is important to prepare this schedule carefully to ensure that it is accurate and complete. Any program or grant omitted from this schedule will be considered unaudited. This schedule should be prepared on the same basis of accounting as the financial statements.

Schedule 16 is comprised of two schedules: (1) Schedule of Expenditures of Federal Awards and (2) Schedule of State and Local Financial Assistance.

Schedule of State and Local Financial Assistance

List on this schedule grants received directly or indirectly from state agencies (334), grants from other local governments (337), and program income. State shared revenues, apportionments, entitlements (BARS resource codes 335 and 336), and loans do not need to be included on this schedule.

List separately awards received from state and local governments. Provide a subtotal for both categories and a total for the entire schedule. In addition, list all financial assistance received from the same state agency together.

Schedule of Expenditures of Federal Awards

Include on this schedule all expenditures of federal awards that were received directly from a federal agency and indirectly from a state agency or local government. This schedule should be prepared for the year in which federal awards are expended. Preparation of this schedule should not be based on the date(s) that funds are received (e.g., advances or reimbursement). "Federal awards expended" include the following:

- Expenditure transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations;
- Disbursement of funds passed through to subrecipients;
- Receipt of loan proceeds under loan and loan guarantee programs;
- Receipt of federal property and surplus property;
- Receipt or use of program income (see revolving loan exception below);
- Distribution or consumption of food commodities;
- Disbursement of amounts entitling a non-federal entity to an interest subsidy; and
- Insurance contracts in force during the period under audit.

List all awards from the same federal agency together on the schedule (for example, group all HUD awards together). Next, within each federal agency section, list all direct awards first followed by indirect awards.

Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number. Also provide subtotals for assistance received directly and assistance received indirectly. Provide a total for each federal agency.

It is important to note that the “expenditures” reported on the Schedule of Expenditures of Federal Awards will not necessarily tie to those reported on the operating statement, especially if the federal awards include loans, insurance, or commodities. However, all amounts reported should agree or reconcile to records maintained by finance, budget, and treasury departments.

Valuation of Federal Loans and Noncash Assistance

Use the following guidelines to calculate the value of “federal awards expended” under loan programs:

- (1) Amount of new loans received during the fiscal year, **plus**
- (2) Balance of loans from previous years for which the Federal Government imposes continuing compliance requirements, **plus**
- (3) Any interest subsidy, cash, or administrative cost allowance received.

NOTE: Loans, the proceeds of which were received and expended in prior years, are not considered Federal awards expended when the laws, regulations, and the provisions of contracts or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans

Noncash Assistance: Food Stamps, food commodities, donated property, and donated surplus property should be valued at fair market value at the time of receipt or the assessed value provided by the federal agency. The Notes to the Schedule of Financial Assistance should disclose the nature of the amounts reported.

Revolving Loans: According to the federal regulations, repayments of principal and interest are considered program income (revenues) and loans of such funds to eligible recipients are considered expenditures. For purposes of Schedule 16, report only the amount of loan funds expended during the year.

Other preparation hints for both schedules

Often federal financial assistance received indirectly is a mix of federal and state or local money. If possible, identify the different sources and list them on appropriate schedules (i.e., the federal share on the *Schedule of Expenditures of Federal Awards* and the state or local portion on the *Schedule of State and Local Financial Assistance*. If the state or local portion cannot be identified, list the entire amount on the *Schedule of Expenditures of Federal Awards* and describe the commingled nature of the funds in the *notes to the Schedule of Expenditures of Federal Awards*.

The funds received as *fee for services* should **not** be included on the Schedule 16.

Records must agree or reconcile to those in finance, budget and treasury departments.

Example- Schedule of Expenditures of Federal Awards

Column 1 Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between federal agencies and state agencies with similar names or initials. If you receive federal funds indirectly, identify the state pass-through agency. Identify noncash awards in this column also.

- Column 2 List the applicable CFDA number for each program. This is a five digit (XX.XXX) identification number assigned by the federal government and published in the Catalog of Federal Domestic Assistance. This number must be provided for all federal awards received either directly from a federal agency or indirectly through a state agency or local government.
- Every effort should be made to obtain CFDA numbers. If the number is not provided on the award agreement or contract, contact the granting agency and request the number.
- If you are unable to obtain the CFDA number, write "unknown".
- Column 3 Use this column to report contract or grant numbers assigned by federal or state agencies, in addition to the CFDA number. If a number is not available, write "N/A."
- Column 4 Use this column to report current year expenditures (determined on the same basis of accounting as the financial statements). See requirements for valuing loans and noncash assistance above.

NOTES TO SCHEDULE 16

At minimum, the notes to Schedule 16 should disclose the basis of accounting and any other significant accounting policies used in preparing the schedule. Also provide any information that may be useful to the reader such as the nature of a revolving loan program or the method used to value commodities or other non-cash assistance.

OMB Circular A-133 has removed the requirement to identify major federal programs on the schedule of financial assistance. Instead, the auditor will identify major programs in his/her report.

(DISTRICT NAME)

(DISTRICT NAME)

For The Year Ended December 31, _____

The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.

Example - Schedule of State and Local Financial Assistance

- Column 1 Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between agencies with similar names or initials.
- Column 2 Use this column to report grant, contract or award numbers assigned by state or local agencies. If a number is not available, write "N/A."
- Column 3 Use this column to report current year expenditures (determined on the same basis of accounting as the financial statements).

(DISTRICT NAME)

For The Year Ended December 31, _____

The Accompanying Notes To The Schedule Of State and Local Financial Assistance Are An Integral Part Of This Schedule.

MCAG NO. _____

SAMPLE DISTRICT, WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, _____

Schedule 16

1	2	3	4	
Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Other Identification Number	Current Year Expenditures	
U.S. Dept of Agriculture Direct Programs:				
Water & Waste Disposal Systems (Loan)	10.418	L-97-48	\$623,500	Note 4
Water & Waste Disposal Systems	10.418	C-530776-02-0	300,000	
<u>Total Department of Agriculture</u>	10.418		<u>\$923,500</u>	Note 2
U.S. Dept of HUD Indirect Award from WA CTED:				
Community Development Block Grant	14.218	B-98-UC-83-0210	\$207,720	
Community Development Block Grant	14.218	B-97-UC-63-0701	247,500	
Community Development Block Grant (Loan Program)	14.218	L-97-50	46,233	Note 3
Total CFDA Number	14.218		<u>501,453</u>	Note 2
Rental Rehabilitation Program	14.230	S98-UC5-00361	45,000	
<u>Total Department of Housing and Urban Development</u>			<u>\$546,453</u>	
U.S. Dept of Transportation Direct Programs:				
Taxiway	20.106	3-52-0156-09	\$515,000	
Airport Improvement Program	20.106	Not Available	674,634	
Total CFDA Number	20.106		<u>1,189,634</u>	Note 2
Noise Reduction	20.102	3-47-175-NI	45,000	
			<u>1,234,634</u>	
U.S. Dept of Transportation Indirect Award From WA State D.O.T.:				
Boating Safety Program	20.205	90-145-018	\$150,000	
Highway Planning and Construction	20.205	ER-9001(003)	6,750	
Total CFDA Number	20.205		<u>156,750</u>	
<u>Total Department of Transportation</u>			<u>\$1,391,384</u>	
Federal Emergency Management Agency Indirect Award From WA C.T.E.D:				
<u>FEMA Disaster Assistance</u>	83.516	10-254-TH	<u>\$43,750</u>	
U.S. Dept of Health and Human Services Indirect Award From WA D.S.H.S:				
Maternal Child Health	93.994	1620-01579	\$51,223	
Maternal Child Health (vaccine)	93.994	1620-01579	64,768	Note 5
Total CFDA Number	93.994		<u>115,991</u>	
Childhood Immunization (vaccine)	93.268	1620-01579	47,070	Note 5
Alcohol/Drug Abuse	93.992	1440-83463(2)	12,667	
<u>Total Department of Health and Human Services</u>			<u>\$175,728</u>	
<u>TOTAL FEDERAL AWARDS EXPENDED</u>			<u>\$3,080,815</u>	

The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.

SAMPLE DISTRICT, WASHINGTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(AND STATE/LOCAL FINANCIAL ASSISTANCE)

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the district's financial statements. The district uses the (describe the basis of accounting used by the district).

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only (federal/state/local) grant portion of the program costs. Entire program costs, including the district's portion, may be more than shown.

NOTE 3 - REVOLVING LOAN - PROGRAM INCOME

The district has a revolving loan program for low income housing. Under this federal program, repayments to the district are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$_____ and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$_____.

NOTE 4 - FEDERAL LOANS

The district has been approved by the Farm Home Administration to receive a loan totaling \$_____ to build a sewer treatment plant.

The district also has prior year federal loans outstanding with balances totaling \$_____. Both current and prior year loans are reported on the district's Schedule of Long-Term Debt.

NOTE 5 - NONCASH AWARDS

The amount of (vaccine/dental items/commodities/surplus property/etc.) reported on the schedule is the value of (vaccine/dental items/commodities/surplus property/etc.) distributed by the district during current year and priced as prescribed by _____.

MCAG NO. _____

Schedule 16

(DISTRICT NAME)

SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE**For The Year Ended December 31, _____**

1	2	3
Grantor / Program Title	Identification Number	Current Year Expenditures
WA State Energy Office:		
Energy Code Enforcement	1-90-743-09	\$68,822
<u>Total WA State Energy Office</u>		<u>\$68,822</u>
Department of Transportation:		
Division of Aeronautics	GC9434	\$5,692
Street Improvement	8008C011	122,500
<u>Total Department of Transportation</u>		<u>\$128,192</u>
Department of Social and Health Services:		
Child Protective Services	6500-85008	\$22,410
<u>Total Department of Social and Health Services</u>		<u>\$22,410</u>
Department of Health:		
Maternal Child Health	1620-01579	\$75,000
Immunization; vaccine	1620-01579	58,890
Shellfish	2600-02240	8,620
<u>Total Department of Health</u>		<u>\$142,510</u>
<u>TOTAL STATE ASSISTANCE</u>		<u>\$361,934</u>
EMS Regional Council	N/A	\$15,113
City of Sample; Arts Grant	12345-678	3,115
<u>TOTAL LOCAL ASSISTANCE</u>		<u>\$18,228</u>
<u>TOTAL STATE AND LOCAL ASSISTANCE</u>		<u>\$380,162</u>

Note 5

The Accompanying Notes To The Schedule Of State And Local Financial Assistance Are An Integral Part Of This Schedule.

PROGRAM/CONTRACT ACCOUNTABILITY WORKSHEET
INSTRUCTIONS

This worksheet is not mandatory but may save time in the preparation and review of the Schedule 16. The worksheet serves as a bridge between information you have in your administrative and accounting records and Schedule 16.

GENERAL INSTRUCTIONS

- ▶ Generally, any contract or agreement between your government and the federal government, state or local agency should be included in this schedule. Remember to include loans (federal only), program income, and noncash awards. See Part 3, Chapter 5 (BARS manual, Category 1) for additional discussion of grant accounting.
- ▶ Prepare a worksheet for grants that are accounted for as “contributed capital” in proprietary funds. Show the grants as revenues and the assets acquired as expenditures on this worksheet. Examples of this type of grant include water/sewer construction grants from the Environmental Protection Agency and the State Department of Ecology and ADAP grants from the Federal Aviation Agency for airports.
- ▶ Use a separate worksheet for each program.
- ▶ Use a separate worksheet for each grantor if a program is funded by more than one external source.
- ▶ Use a separate worksheet for each fiscal year of a program. For example, if you have a program funded on the state’s fiscal year (July 1 -June 30), you need to prepare two worksheets, one for January through June and another for July through December. Show only those revenues and expenses which apply to the calendar year.
- ▶ Total contract resources and expenses should agree to your year-to-date revenues and expenses reports.
- ▶ Federal guarantee, loan, or insurance programs:
 - Any interest subsidy or administrative costs allowance received during the fiscal year under a loan or loan guarantee program should be included in the Schedule of Expenditures of Federal Awards.
 - The existence and value of federal guarantees, prior year loans or insurance programs which did not involve federal outlay during the fiscal year should be disclosed in a footnote on the Schedule of Expenditures of Federal Awards. For example, the outstanding balance of a farmers home loan should be so disclosed.

PROGRAM/CONTRACT ACCOUNTABILITY WORKSHEET
INSTRUCTIONS (Continued)

SPECIFIC LINE ITEM INSTRUCTIONS

Most items are self-explanatory. Specific instructions are as follows:

- D3 Do not include amounts drawn down or invoiced in the current year for expenditure early in the following year.
- C1a This line should include indirect costs allowed per the grant agreement and a cost allocation plan.
- D5 The amounts on these lines should be the same. "Program income" means gross income earned by the
C2 grantee from grant-supported activities. Such earnings include income from service fees, sales of grantor funded property and commodities, and usage or rental fees. For further details, see your grant agreement for administrative requirements.
- D6 The total on this line should equal the amount on line C3.
- D7b Matching revenues and matching expenditures: the amounts on these lines should be the same. On
C4b these lines you should include costs and cash "matching share" as defined in your grant agreement for administrative requirements, except for in-kind contributions. You should also include entity moneys expended for program purposes which are not required or do not qualify for match. "In-kind" should be reported separately on line F-6.
- D8 The total on this line should equal the amount on line C5. Both amounts should agree to the total program revenues/expenditures reported in your municipal financial reports.
- E7 The amount in this line should agree with the amount in line C3 and Column 4 ("Current Year Expenditures") on Schedule 16.
- F4 See Part 3, Chapter 12, Interpretation 5 for discussion of the accounting treatment of advances. Do not include receivables from grantors, only those amounts already received by December 31. See NCGA Statement 2: "When grants, entitlements, or shared revenues have not been received nor the revenue recognition criteria met, they should not be reported on the balance sheet"

PROGRAM/CONTRACT ACCOUNTABILITY WORKSHEET (page 1 of 2)

Balances Shown are as of _____
(Date)

A. Agreement Identification:

Fund No. _____ Fund Name _____
Dept/Program No. _____ - _____ Dept/Program Name _____
Funding Source (s) _____
(Give name of federal/state/other department or agency)

(Give federal/state/other program title)

(CFDA No.)

(State Contract No.)

B. Agreement Period:

Beginning Date _____
Original Ending Date _____

Extended to _____

C. EXPENDITURES

Expenditure Codes: _____ - _____ - _____
 _____ - _____ - _____
 _____ - _____ - _____

- | | | |
|----|---|----------|
| 1. | External funding expended during current year: | |
| a. | For entity's use | _____ |
| b. | Passed-through
to subrecipients | _____ |
| 2. | Add: Current year expenditures
from program income | + _____ |
| 3. | Total external funding
source expenditures | \$ _____ |
| 4. | Add: Expenditures from
local sources: | |
| a. | Donations, etc. | + _____ |
| b. | Matching moneys | + _____ |
| 5. | Total program/contract
expenditures | \$ _____ |

D. REVENUES

Revenue Code: _____ - _____ - _____

- | | | |
|----|--|----------|
| 1. | Program/contract payments received during current year | \$ _____ |
| 2. | Less: Receipts for prior year expenditures | _____ |
| | Subtotal | \$ _____ |
| 3. | Add: Amounts billed but not received at year-end | + _____ |
| 4. | Add: Amounts expended in current year but not billed at year-end | + _____ |
| 5. | Add: Program income | + _____ |
| 6. | Total revenue provided by external funding source | \$ _____ |
| 7. | Add: Revenues from local sources: | |
| a. | Donations, etc. | + _____ |
| b. | Matching moneys used in the program/contract | + _____ |
| 8. | Total program/contract resources | \$ _____ |

PROGRAM/CONTRACT ACCOUNTABILITY WORKSHEET (page 2 of 2)

E. BUDGET INFORMATION

1. Original award amount or contract limit \$ _____
2. Prior year(s) + amendments - _____
3. Current year + amendments - _____
4. Total award/contract amount \$ _____
5. Less: expenditures from prior year(s) - _____
6. Award/contract amount available for current year _____
7. Less: expenditures in current year - _____
8. Unexpended at year-end \$ _____
9. Has this unexpended amount expired?
Yes No (Circle answer)
10. List dollars, if any, of this unexpended amount that are encumbered:

F. MISCELLANEOUS FINANCIAL INFORMATION

1. Program assets at year-end \$ _____
2. Program receivables \$ _____
3. Program payables at year-end \$ _____
4. External advances at year-end \$ _____
5. Interfund loans at year-end \$ _____
6. In-kind reported to grantor \$ _____
7. Moneys passed-through to subrecipients \$ _____
8. Expenditure code(s) for pass-through moneys _____ - _____ - _____
- _____ - _____ - _____
- _____ - _____ - _____

G. DISPOSITION OF ITEMS QUESTIONED IN PRIOR AUDITS OF THIS PROGRAM

- | <u>Question amount</u> | <u>Summary of current status (attach copies of correspondence with grantors supporting disposition)</u> |
|------------------------|---|
| 1. \$ _____ | _____ |
| 2. \$ _____ | _____ |
| 3. \$ _____ | _____ |
| 4. \$ _____ | _____ |

H. REPORT DATA

1. Prepared by: _____
2. Phone Number: _____
3. Date Prepared: _____

SCHEDULE 19 - LABOR RELATIONS CONSULTANT(S)

The 1993 Legislature has required the State Auditor's Office to collect information regarding the role labor relations consultants play in local governments. This reporting requirement is found in RCW 43.09.230, as amended by the 1993 Legislature. The statute provides that "the legislature finds and declares that the use of outside consultants is an increasing element in public sector labor relations. The public has a right to be kept informed about the role of outside consultants in public sector labor relations. The purpose of this act is to help ensure that public information is available."

Labor relations is a broad spectrum of activities which concern the relationship of employees as a group with the local government as employer. It includes employee representation issues, negotiation of contracts, and preparation and conduct of interest arbitrations.

A *labor relations consultant* is someone who agrees to perform such services for compensation. For example, a labor relations consultant includes an attorney or other professional engaged by the local government to negotiate a collective bargaining agreement. It would not include a firm engaged to establish a personnel manual or to prescreen job applicants. The determining factor is the substance of services the consultant has been engaged to perform.

This schedule is used to identify expenses for labor relations consultants: Disclosure should include identification of each consultant and the terms and conditions of each agreement.

The schedule is required to be filed with the State Auditor's Office whether or not your district has labor relations consultants. Prepare a schedule for each consultant. Alternative formats are acceptable, including spreadsheets, as long as the required information is provided.

(DISTRICT NAME)

SCHEDULE OF LABOR RELATIONS CONSULTANT(S)**For the Year Ended** _____Has your government engaged labor relations consultants? ☐ Yes ☐ No

If yes, please provide the following information for each consultant(s):

Name Of Firm
Name Of Consultant
Business Address
Amount Paid To Consultant During Fiscal Year
Terms And Conditions, As Applicable, Including: Rates (e.g., Hourly, etc.) _____ Maximum Compensation Allowed _____ Duration Of Services _____ Services Provided _____ _____

Certified Correct this _____ day of _____, 20____ to the best of my knowledge and belief:
Signature
Name
Title